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DEPT OF ENVIRONMENT & NATURAL  
RESOURCES - RCRO

# APPLICATION FOR PERMIT TO DRILL

Case 3-2005

Type of work:		Type of well:			
<input checked="" type="checkbox"/> Drill New Well	<input type="checkbox"/> Reenter Well	<input checked="" type="checkbox"/> Oil Well	<input type="checkbox"/> Gas Well		
<input checked="" type="checkbox"/> Other <u>Horizontal</u>	<input checked="" type="checkbox"/> Drill Directional Well	<input type="checkbox"/> Injection	<input type="checkbox"/> Other		
Name and Address of Operator:		Telephone			
LUFF EXPLORATION COMPANY 1580 LINCOLN ST. SUITE 850 DENVER, CO		303-861-2468			
Name and Address of Surface Owner:					
Clair C. Janvrin, Jr. HC 63, Box 16 Ludlow, SD 57755					
Name and Address of Drilling Contractor and Rig Number:					
NABORS DRILLING USA, WILLISTON, ND RIG 42 AND C&H WELL SERVICE, GILLETTE, WY. RIG 104					
Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available): NENE SEC.29-23N-5E HARDING CO. 290' FNL & 940' FEL					
If Directional, top of pay and bottom hole location from nearest lines of section:		S leg - Top @ 9086' MD=9024' TVD			
N leg - Top @ 9075' MD=9024' TVD, BHL -1780' FSL & 720' FEL SEC. 20;		S LEG BHL 1850' FNL & 1450' FEL Sec. 29			
Acres in Spacing (Drilling) Unit		Description of Spacing Unit			
740.68		All of Sec. 20 and N/2 Sec. 29 (Increased well density)			
Well Name and Number		Elevation	Field and Pool, or Wildcat	Proposed Depth and Formation	
JANVRIN A-29 H		3068.1 Grd. Un-graded	STATELINE FIELD RED RIVER B Fm	9100' Red River B (vertical hole)	
Size of Hole	Size of Casing	Weight per Foot	Depth	Cementing Program (amount, type, additives)	Depth
1) 12 1/4	8 5/8	24	2000	500 sx Premium w/3% salt, 1/4#/sk polyflakes	Surf.
2) 7 7/8	5 1/2	15.5, 17, 23	9100	750 sx Premium & Litepoz, two stage	4200'
3)					
Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.					
Drill a vertical well to approx. 9100'. DST the Red River B zone and run logs at TD. Run and cement 5 1/2" csg. Move in smaller rig. Mill csg. window from 8920'-26' w/azimuth of 6 deg. Drill short radius curve and land in the Red River B zone at 9075' MD=9024' TVD. Drill 4 1/2" horizontal lateral to TD of 11,067' MD=9024' TVD and BHL 1780' FSL & 720' FEL of Sec. 20. Mill second window from 8900'-96 w/ azimuth of 198 deg. Drill short radius curve and land in Red River B at 9086' MD=9024' TVD. Drill 4 1/2" horizontal lateral to TD of 10618' MD=9024' TVD at BHL 1850' FNL & 1450' FEL Sec. 29. See attached directional drilling plan. Oil base mud will be used to drill the vertical hole and fresh water/polymer fluid to drill the horizontal laterals. All drilling fluids will be contained in a 12 mill lined pit. Cuttings and liner will be buried in place. Completion will be through open hole. Anticipate starting operations in early July, 2005.					
I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.					
Signature		Name (Print)		Operations Mgr. Date	
		Robert C. Arceneaux		SOUTH DAKOTA 5-23-05 STATE GEOLOGICAL SURVEY WESTERN FIELD OFFICE	
FOR OFFICE USE ONLY					
Approved By:		Title:		Oil & Gas Supervisor	
Permit No. 1749		API No. 40 063 20597		Date Issued: 06/07/05	
Conditions, if any, on attached page.					